

## Overall Winner

## Best Cash Pooling Solution

## Ryanair Holdings

John Norton, Group Treasurer



Ryanair Holdings plc is Europe's largest airline group and parent company of Ryanair, Ryanair UK, Buzz, Lauda and Malta Air. Together it is Europe's cleanest and greenest airline group with ambitious sustainability goals for 2030 and connects over 240 destinations in over 40 countries.

## Europe's largest airline group establishes pooling structure which satisfies ESG goals

### The challenge

Ryanair sought to implement a best practice cash and liquidity management structure to further drive cost savings and efficiencies which is core to the airlines principles as a low-cost carrier.

### The solution

Working with its global cash management banking partner, Ryanair created a tailored liquidity management structure centred around the bank's most prominent EU pooling centre, the Netherlands.

The solution culminated in a single entity multi-currency notional pool and a target balancing structure inclusive of ten new currency header accounts and 100 source accounts respectively. The purpose of implementing a regional overlay structure, in addition to a domestic and cross-border cash concentration structure, was to seamlessly incorporate all accounts, add an additional level of control over group cash, maximise the use of company funds and allow greater automation and cash forecasting, which are the pillars of efficient cash management.

The solution centralised key operating currencies in a single location while providing a scalable structure that adapts to Ryanair's core requirements. Utilising the bank's innovative digital client onboarding process via CitiDirect®, the internet banking platform which provides an end-to-end digital experience. Ryanair benefitted from a fast, simple and secure process for all new account openings. Citi's digital onboarding provided Ryanair with a paperless engagement and reduced document requirements, replacing wet-ink signatures with eSignatures.

"In addition, we benefitted from a simple and intuitive interface allowing tracking of document processing through a central repository," explains John Norton, Group Treasurer.

Ryanair has implemented:

- Automated true end-of-day zero balancing sweeps across 15 bank branches.

- Intraday credit limits on the operating accounts to facilitate payment activity.
- A single-entity multi-currency notional pool in the Netherlands including CHF, CZK, DKK, EUR, GBP, HUF, NOK, PLN, SEK and USD.
- CitiDirect Liquidity Manager – Citi's global liquidity portal providing real-time visibility, risk management and cash positioning for better control within treasury.
- Standardised automated statements via host-to-host connectivity including all new accounts.
- Third-party bank account reporting across 50 accounts allowing daily monitoring of balances and transactions maintained in nine banks across borders and currencies.

### Best practice and innovation

In the design phase of this solution, Ryanair worked closely with its bank to adhere to core guiding Ryanair principles which had been approved internally by the company's CFO and CEO. It was critical this solution was modular and scalable, meaning as the company grows it can bolt on more accounts and countries to the pool seamlessly. In a similar mindset to its standardised aircraft fleet, maintaining a single, standard banking infrastructure ensures a low risk and fully integrated solution across their entire network. With such a laser focus on costs, Ryanair implemented this best practice solution from day one with no manual touchpoints from the treasury team over a rationalised account structure.

The structure allows for the automated funding and de-funding of the network maximising the return on cash into an innovative ESG deposit – a first for the airline industry in Europe.

It also meets the company's customer care charter by processing instant refunds, baggage and EU261 claims, in addition to low-cost payment clearing including SEPA Instant and same day.

### Key benefits

- Cost savings.
- Process efficiencies.
- Increased automation.
- Risk mitigated.
- Improved visibility.
- Number of banking partners/bank accounts reduced.
- Manual intervention reduced.
- Increased system connectivity.
- Future-proof solution.

"We have created a best practice cash and liquidity management structure with Citi which enables us to meet our vision as a leader in sustainable aviation in Europe, which is further evidenced by our partnership with Citi to deposit funds in their new Sustainable Deposit Solution. This will not only help us manage our finances more sustainably but will further drive our sustainability agenda in whole as we support several sustainability projects across Citi's portfolio, from water conservation to affordable housing and beyond," concludes Norton.

Since 2016, when Citi was appointed as Ryanair's main cash management bank there has been a relentless focus on optimisation. We understand their focus on sustainability, cost and unlocking efficiency. At Citi, our solution allowed Ryanair to implement a scalable structure across their entire network to optimise liquidity across a standard operating model, easily expanded as they continue to grow their route network. We are also delighted to partner with Ryanair as one of the first European airline to deposit funds in our recently launched sustainable deposit solution. Citi has committed to financing and facilitating US\$1trn in sustainable finance by 2030.

**David Nugent, EMEA Cash Management Sales Lead, Corporate & Public Sector, Treasury and Trade Solutions, Citi**

in partnership with



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